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Sanitized Approved For Release : CIA-RDP78-03985A000600020006-4

MEMORANDUM FOR RECORD

DATE: 25 August 1953

SUBJECT: Accounting for Funds Allotted to Area Divisions and to Logistics Office for Equipment and Supplies (Objectional and Administrative.)

1. During the course of the O & M Service Survey of Administrative functions within the DD/P Complex, question was raised by [REDACTED] (O & M Service Management Analyst) relative to the manner in which Logistics Office will account for "08" and "09" money during the FY 1954. It has been [REDACTED] concept that the Logistics Office will maintain sub-allotment ledgers by authorized project and through this media control "08" and "09" money on a project basis. This concept has been based largely upon an Agency directive which specifies that the "allottee" of funds will establish and maintain such accounting as necessary to properly obligate and control funds allotted.

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2. An examination of documents which have been written relative to the above subject indicates that there is room for confusion with regard to the organizational element within the Agency responsible to account for and control project allotment funds. This confusion seems to emanate from conflicting interpretations of the definition of the term "allottee". In one portion of the documents examined, it would appear that the Logistics Office clearly is the "allottee" for "08" and "09" funds within the Agency and that, as such, is responsible for maintenance of detailed accountability (i.e. by project) for all such funds allotted. In another portion of documents examined, however, the "allottee" is specifically designated as the area division or staff office initially budgeting for all such funds, with regard to the element responsible for accountability and control on a project and program basis.

3. Discussion with [REDACTED] Supply Division, Logistics Office clarified this problem area to the undersigned considerably and, if correct, is felt to be a very reasonable explanation of the manner in which such funds will be controlled. [REDACTED] interpretation of existing documents on this subject is that area divisions will maintain one type of accounting (specified in directives) for all funds allotted directly to them (e.g. "01", "02", "03") and another accounting system (using another form) for funds allotted to the Logistics Office in bulk sum for procurement of administrative and operational supplies and equipment. Under this procedure, the only funds control that will be maintained by the Logistics Office is that necessary to assure that the bulk sum allotted to Logistics Office for "08" and "09" purposes is not overobligated. Further, under such procedure the area divisions will continue to be responsible for maintaining sub-allotment accounts for programs and projects, and for controlling all expenditures for each project.

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No Change in Class. ☐

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